



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

Card
Honorable Wayne Morse
United States Senate
Washington 25, D. C.

Dear Senator Morse:

In the appendix of the CONGRESSIONAL RECORD for April 25, 1959, there was inserted as an extension of your remarks an article entitled, "Does the CIA Dominate U. S. Foreign Policy," written by Frank Bellamy and published in the NATIONAL GUARDIAN of April 20, 1959.

At my appearance before the Senate Foreign Relations Committee on 29 April 1959, you asked that I comment on this article. The NATIONAL GUARDIAN was originally organized in New York in 1947 by the American Labor Party, and its articles have consistently reflected the International Communist line. If you wish information on the principal functionaries and their Communist front affiliation, there is substantial material available to the public which can be compiled at your request.

The House Committee on Un-American Activities has identified this publication as virtually the official propaganda arm of Soviet Russia in the United States in spite of denial by its staff of any connection with the Communist Party. Our records indicate that three days after its publication and two days before the article was introduced into the CONGRESSIONAL RECORD by you it was broadcast on April 23, 1959 in English to Western and Northern Europe by Communist China's Radio Peiping.

From the foregoing, it would appear reasonable to assume that there may be bias in the article on CIA and foreign policy. Unquestionably, certain essential facts on which the article is

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based are inaccurate. As one example, the article states "It CIA is the only major agency not subject to congressional committee control." As you know, there are formally established subcommittees of both the Senate and House Armed Services Committees with responsibility for congressional supervision of CIA. There are also subcommittees of both the Appropriations Committees which have jurisdiction over the Agency's budget. Since anyone can establish these facts with ease, it would appear that this falsification must be deliberate. Since information of this nature, if accepted, creates unwarranted distrust within our Government and is, therefore, damaging to the national interest, I wish to assure you that I am ready at any time to discuss with you the role played by this Agency in the conduct of the Government's business with the trust that your position on the record will not reflect solely an inaccurate and distorted version of that role.

Sincerely,

Allen W. Dulles
Director



CENTRAL INTELLIGENCE AGENCY

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Honorable Wayne Morse
United States Senate
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Dear Senator Morse:

In the appendix of the Congressional Record for April 25, 1959, there was inserted upon your motion an article entitled "Does the CIA Dominate U. S. Foreign Policy" written by one Frank Bellamy and published in the NATIONAL GUARDIAN of April 20, 1959.

The NATIONAL GUARDIAN, originally organized in New York in 1947 by the American Labor Party, is a well-known, left-wing publication whose articles have consistently reflected the International Communist line. Its staff personnel, as well as its foreign correspondents, include many individuals who have a record as having been members of the Communist Party of the United States as well as communist parties abroad. Some of the writers have had articles published in Soviet and other foreign communist publications. The House Committee on Un-American Activities has identified this publication as virtually the official propaganda arm of Soviet Russia in the United States in spite of denial by its staff of any connection with the Communist Party.

Attached are brief summaries of public information available about the principal persons comprising the editorial staff, foreign correspondents, and management of the NATIONAL GUARDIAN.

From these summaries you will see that there exists in the public domain ample evidence of a consistent pattern of left-wing ideology and anti-U. S. motivation in the staff, writers, and management of this news weekly.

As can be expected from those familiar with communist tactics, almost immediately following the article's appearance in the NATIONAL GUARDIAN, the attack against the Central Intelligence Agency was picked up and broadcast on April 23, 1959, in English to Western and Northern Europe by Communist China's Radio Peiping.

I thoroughly disapprove that the official Congressional Record should be used to further the destructive and scurrilous kind of criticism contained in the article in question, particularly when one considers the pro-communist slant of this news weekly and its staff, and that this article which you have perpetuated in the official record of the Congress of the United States furthers tendentious publicity harmful to a United States Government Agency which is dedicated to the support of the national security.

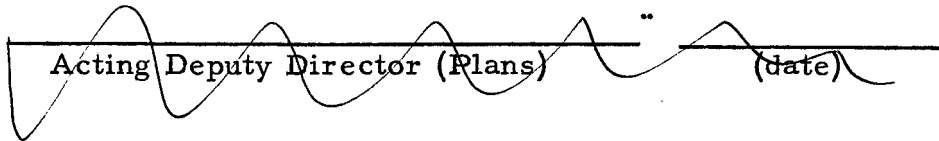
If your insertion of this unreliable article in the Record suggests that you disapprove of either the existence or the activities of the Central Intelligence Agency, then by all means allow me to state that I am always ready and willing to clarify any misapprehensions you might have as to the scope and nature of this Agency.

Sincerely,




Allen W. Dulles
Director

SIGNATURE RECOMMENDED:


Acting Deputy Director (Plans) (date)

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Chief, CI Staff 8 May 1959
(date)

prepared by:

DDP/CI/SPD/



8 May 1959

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CIA EXPOSE

WARSAW ZOLNIERZ WOLNOSCI 5/5 A

(PS ARTICLE/ "CIA--THE AMERICAN ESPIONAGE CENTER")

(TEXT) THE CIA, THAT IS THE CENTRAL INTELLIGENCE AGENCY IN THE UNITED STATES, IS NOT VERY WELL KNOWN TO THE PUBLIC. ITS EXISTENCE AND ACTIVITIES ARE INSULATED BY A THICK LAYER OF SILENCE. RECENTLY, THE CONGRESSIONAL RECORD REPRINTED AN ARTICLE BY CHARLES EDMUNDSON, ORIGINALLY PUBLISHED IN THE FEBRUARY ISSUE OF THE PROGRESSIVE INFORMATION GIVEN IN THE ARTICLE IS TRULY REVEALING. ITS AUTHENTICITY IS QUITE CERTAIN, IF ONLY BECAUSE OF THE SOURCES FROM WHICH IT HAS ORIGINATED. HERE ARE SOME EXCERPTS FROM THIS ARTICLE:

IN AN ARTICLE PUBLISHED IN THE SATURDAY EVENING POST TITLED "WHAT'S BEHIND QUEMOCY--WHAT STOOD BETWEEN US AND A WAR," STEWARD ALSO REVEALS THE ROLE PLAYED BY THE CIA IN 1954 AND 1958. THIS IS THE FIRST TIME THAT A PAPER OF MASS CIRCULATION HAS REVEALED THAT, STARTING FROM 1950, THE CIA SUPPORTED AND DIRECTED SUBVERSIVE ACTIVITIES ON THE CHINESE TERRITORY. SUBVERSIVE GROUPS WERE SOMETIMES A BATTALION STRONG.

ALTHOUGH NEITHER THE WHITE HOUSE NOR CONGRESS HAD DECIDED WHETHER THE OFFSHORE ISLANDS BELONGED TO MAO TSE-TUNG OR CHIANG KAI-SHEK, THE CIA ALONE TOOK A DECISION AND STARTED SYSTEMATIC ATTACKS AGAINST CHINA. THIS WAS ENOUGH TO PRODUCE, IN THE FALL OF 1954, AND IN OCTOBER 1958, A WAR CRISIS. AS A RESULT OF ACTIVITIES OF A SECRET BUREAU, ACTIVITIES UNKNOWN TO THE CONGRESS, THE PRESS, AND THE POPULATION, THE UNITED STATES AND THE WORLD WERE TWICE FACED WITH A DANGEROUS SITUATION. THE SALLIES FROM QUEMOCY AND TACHEN ARE NOT JUST ISOLATED EXAMPLES OF CIA ACTIVITIES. THEY ARE TYPICAL EXAMPLES.

THE CIA IS MORE THAN JUST AN ORGANIZATION GATHERING ESPIONAGE INFORMATION. IT IS AN ACTIVE GROUP BOLDLY AIMING AT DICTATING FOREIGN POLICY ON THE TERRITORIES BEYOND THE SCOPE OF DECISION-MAKING BY THE STATE DEPARTMENT, THE CONGRESS, OR THE WHITE HOUSE. THE CIA CONDUCTS SECRET ACTIVITIES IN EVERY COUNTRY IN THE WORLD, AS WELL AS IN MANY COUNTRIES TO WHICH THE STATE DEPARTMENT HAS NO ACCESS AND IN WHICH THE AMERICAN PRESS IS FORBIDDEN.

THE CIA CARRIES OUT ITS PLANS REGARDLESS OF PUBLIC OPINION. IT NEVER OWNS UP TO INCIDENTS WHICH IS PROVOKES. SUCH INCIDENTS, HOWEVER, MAY DETERMINE THE SHAPING OR DISTORTING OF PUBLIC OPINION AND FOREIGN POLICY. THE ENTIRE MACHINERY OF STATE PUBLICITY IS UTILIZED FOR MAKING CIA-PROVOKED INCIDENTS SERVE DOMESTIC ENDS LAID DOWN IN ADVANCE. IN THIS WAY THE CIA AND ITS ALLIES--THE OLD GUARD IN THE STATE DEPARTMENT OR IN THE ARMED FORCES--ARE ABLE TO BEFOG PUBLIC OPINION AND COMPEL IT TO BELIEVE IN WHAT THEY THINK IT SHOULD BELIEVE.

THE CIA WORKS UNDER THE GUIDANCE OF THE NATIONAL SECURITY COUNCIL, THE SUPREME U.S. ORGAN WHICH DETERMINES MILITARY POLICY. THE CHAIRMAN OF THE NATIONAL SECURITY COUNCIL IS THE PRESIDENT HIMSELF. ITS OTHER MEMBERS ARE THE VICE PRESIDENT, THE SECRETARY OF STATE, THE MINISTER OF DEFENSE, AND THE DIRECTOR OF THE DEFENSE MOBILIZATION OFFICE. THE DIRECTOR OF THE CIA IS NOT A MEMBER OF THE NATIONAL SECURITY COUNCIL BUT, AS AN ADVISOR ON INTELLIGENCE MATTERS, TAKES PART IN ITS MOST IMPORTANT SESSIONS AND DISCUSSION, AND EXERTS INFLUENCE ON ITS DECISIONS.

"THE CENTRAL INTELLIGENCE AND NATIONAL SECURITY," HARRY RANSOM ESTIMATES THAT CIA EXPENDITURES ARE TWO BILLION DOLLARS A YEAR. THE ENTIRE CIA PERSONNEL, BOTH AMERICAN AND FOREIGN, NUMBER 16,000 PERSONS. "THE LITTLE PENTAGON" UNDER CONSTRUCTION ACROSS THE POTOMAC RIVER AT A COST OF 55 MILLION DOLLARS FOR THE USE OF THE CIA WILL HOUSE AT LEAST 10,000 PERSONS.

HALF Approved For Release 2009/04/10 : CIA-RDP80R01731R000100070030-1 AMATIC
COUP OF ITS CAREER. THIS WAS THE CUSTING OF THE IRANIAN PREMIER
MOSSADEQ. THE COUP WAS CARRIED OUT IN A VERITABLE HOLLYWOOD
SETTING. THE CIA WAS SO PROUD OF ITS MASTERSTROKE THAT IT LEAKED
OUT DETAILS OF THE COUP TO RICHARD AND GLADYS HARKNESS WHO
PUBLISHED A BRILLIANT ARTICLE IN THE SATURDAY EVENING POST ON
NOV. 6, 1954.

THE COUP WAS PLANNED IN A PICTURESQUE MOUNTAIN RETREAT IN
THE SWISS ALPS. ALLEN DULLES FLEW THERE ON AUG. 10, 1953, NINETEEN
FIFTYTHREE TO SPEND A HOLIDAY WITH HIS WIFE. THEY WERE SOON JOINED
BY LOY HENDERSON, AMERICAN AMBASSADOR TO IRAN, AND BY PRINCESS
ASHRAF, THE SHAH'S SISTER AND AN ATTRACTIVE PRUNETTE. BY SOME
QUIRK OF CIRCUMSTANCES, ERIG. GEN. H. NORMAN SCHWARZKOPE, FORMER
ADVISOR TO THE IRANIAN GENDARMERIE, WAS ON A TRIP TO THE MIDDLE EAST
AND VISITED TEHERAN.

THE SHAH SENT AN ARMY UNIT TO INFORM MOSSADEQ OF HIS DISMISSAL.
MOSSADEQ WOULD NOT RESIGN AND ATTACKED THE CAPITAL WITH ARMORED
CARS AND TANKS. THE SHAH AND HIS WIFE FLED TO ROME, BUT OTHERS
DID NOT SURRENDER SO EASILY. SOME MEMBERS OF THE ARMED FORCES
REMAINED LOYAL, THE LOYALTY OF OTHERS WAS SECURED WITH FREELY-
SPENT MONEY--ALTOGETHER 19 MILLION DOLLARS WERE SPENT.

A FEW DAYS AFTER THE SHAH'S FLIGHT AN INNOCENT LOOKING TROUPE
OF JUGGLERS AND CIRCUS ARTISTS BEGAN A PARADE DOWNTOWN. IT WAS
STRANGE THAT THEIR NUMBERS CONTINUED TO SWELL. THEY STARTED TO
YELL "DOWN WITH MOSSADEQ," "LONG LIVE THE SHAH." THE SHOUTING
BECAME THREATENINGLY LOUD. THE PARADE ATTRACTED THE PEOPLE. AS IF
PREVIOUSLY DRAWN INTO COLLUSION, THE SHAH'S SYMPATHIZERS JOINED
THE THROG. AFTER A HALF DAY'S FIERCE FIGHTING MOSSADEQ WAS OUSTED,
AND THE SHAH RETURNED TO THE CAPITAL WITH HIS WIFE.

CONGRESS SEEMED QUITE SATISFIED WITH THE EVENTS IN IRAN,
BUT THREE MONTHS LATER WAS SHAKEN BY THE DISPATCHES FROM EAST
GERMANY. ON NOV. 17, 1957, THE NEW YORK TIMES ANNOUNCED THAT THE
EAST GERMAN GOVERNMENT HAD ARRESTED MANY PERSONS ACCUSED OF
ESPIONAGE. ACCORDING TO EAST GERMANY, THESE PERSONS WERE FOUND
WITH PLANS TO DESTROY RAILWAY BRIDGES AND STATIONS, TO BURN DOWN
FACTORIES AND GOVERNMENT OFFICES, AND TO MURDER HIGHER GOVERNMENT
OFFICIALS.

HOWEVER, THE INTEREST OF CONGRESS WAS EVOKED BY SOMETHING
ELSE. THE MAJORITY OF ARRESTED AGENTS WERE FORMER NAZIS UNDER
ORDERS OF GUSTAV GEHLEN, A FORMER MAJOR GENERAL OF THE HITLERITE
ARMY. THE PAPERS FOUND ON THE AGENTS CONTAINED A LIST OF ANTI-
HITLERITE PERSONS IN WEST GERMANY WHO WERE TO BE MURDERED. APPARENTLY
THE FORMER NAZIS TREATED THEIR ESPIONAGE ACTIVITIES AS A SCREEN
BEHIND WHICH TO SETTLE OLD SCORES.

FEW PEOPLE KNOW THAT RADIO FREE EUROPE WHICH APPEALS THROUGH
THE PRESS, RADIO, AND TELEVISION FOR SUBSIDIES IS A TOOL OF
THE CIA FROM WHICH IT RECEIVES MOST OF ITS MONEY. WHEN SUCH A
WELL-INFORMED CORRESPONDENT AS CYRUS SULZBERGER OF NEW YORK TIMES
WRITES ABOUT RADIO FREE EUROPE AS A PRIVATE AGENCY, HE USES
QUOTES FOR THE WORK PRIVATE.

ONE OF THE MOST FUNDAMENTAL CIVIC RIGHTS IS THE RIGHT OF EVERY
MAN TO SHAPE FREELY HIS VIEWS ON POLITICAL MATTERS, A RIGHT
EXERCIZED IN CONDITIONS OF NONSECRECY AND NONDISTORTION OF FACTS
BY HIS GOVERNMENT. DOCUMENTS PROVE THAT THE CIA, IN COOPERATION
WITH THE STATE DEPARTMENT, CONSISTENTLY VIOLATES THIS RIGHT.
SOME BETTER NEWSPAPERS DO AT TIMES REVEAL ISOLATED FACTS
REVELANT TO THIS VIOLATION. IN NO PLACE, HOWEVER, ASIDE FROM A
FEW LIBERAL PUBLICATIONS, HAVE THE AMERICANS BEEN WARNED AGAINST

SPIES, BALLOONS, AGENTS, CAMERAS AND SABOTAGE, INC.—I

The Armenia plane incident: Was the

By Frank Bellamy
(First of three articles)

ON SEPT 2, 1958, a four-engine U.S. transport plane took off from Adana, Turkey, on what was to have been, the Air Force said, a three-legged flight north toward the Black Sea, east to Van near the border of Soviet Armenia, and thence back to Adana.

The next day the Associated Press reported from Adana that the unarmed C-130 had "disappeared" and that "an intensive search was underway" for the plane and the 17 men aboard. "Air Force officials so far did not suggest that the plane might have strayed over the Soviet border," the AP dispatch said.

Four days after the "disappearance," the State Dept. asked the Soviet government for information on the whereabouts of the plane and the 17. The Russians replied they had found a plane's wreckage 35 miles northwest of Yerevan, capital of Soviet Armenia. They turned over six bodies, four of which were identifiable as members of the C-130 crew, but insisted they had no information on the 11 others.

Nothing further was heard of the incident until January, 1959, when Vice President Nixon and Secy. Dulles told visiting Soviet Deputy Premier Mikoyan they believed that Moscow was withholding information on the 11 missing airmen. Mikoyan denied it.

THE TAPE RECORDING: Then on Feb. 6, with Mikoyan back in Moscow, the State Dept. released a transcript of what it said was a tape recording of an intercepted mid-air radio conversation among four Soviet fighter pilots attacking the transport plane five months before. The State Dept. said it was proof the Russians had shot down the plane.

Soviet reaction was sharp. A Moscow radio commentator called it a "clumsy farce . . . The fake is so transparent that



a child could see through it. The script sounds as if it were written in Hollywood by someone who knew nothing of contemporary Russian language or even of fighter plane tactics . . . The State Dept. ought to employ better script writers for their forgeries."

The whole affair raised questions to which the State Dept. offered no answers:

CIA involved?

- Why did the plane penetrate so deeply into Soviet territory—at the crash point it was nearly 150 miles off its projected course.

- Why, if the Air Force had overheard the Russian pilots shooting down the

plane in Soviet territory, did it first report the plane had "disappeared" and "an intensive search was underway"?

- Why, if it intercepted the Soviet pilots' conversation, was it unable to record a message from the American plane—either to its home base or to the Soviet planes?

- Why didn't the State Dept. mention the tape recording to Mikoyan and invite him to listen to it? Was the release of the recording—as a few newspapers suggested—timed to drum up anti-Soviet sentiment and forestall British Prime Minister Macmillan's trip to Moscow? The N.Y. Times (Feb. 7) said: "There has been some speculation that the Government's action in making public the transcript of the conversation of the Soviet pilots was designed to stiffen U.S. and Western attitudes toward Moscow. Some commentators speculated that the move was aimed at halting the 'thaw' they professed to see in East-West relations."

ALTERNATIVES: Two possible alternatives to the State Dept. version were suggested. The first, and most obvious, was that the plane had developed mechanical or other failure and crashed accidentally, and the 11 missing airmen had perished without a trace in the explosion and flames. Such things do happen. The



BALLOON ENVELOPE AND SUPER-SNOOPER RIG SHOWN IN PEKING
The Chinese say the equipment came off a downed American aircraft

very same day as the Armenia crash, for instance, an American C-124 transport with 19 aboard fell in the Pacific off Guam and an air-sea search team could find no survivors.

The second, more provocative, possibility was that the C-130, designed as a paratroop carrier, deliberately flew into Soviet Armenia to drop espionage agents in a Central Intelligence Agency operation. In his Feb. 16 Weekly, I. F. Stone quoted a Washington Star reporter:

"American officials scoffed as expected at the idea that a C-130 transport, unarmed, slow and unmaneuverable, would be sent on a dangerous intelligence mission. Others wonder, however, whether just this kind of plane might not make a good 'cover,' particularly if agents were to be dropped."

SOME PRECEDENTS: Certainly there were precedents for such a strategy. One example: In November, 1952, an Air Force plane crashed in Manchuria. The Air Force said the plane had taken off for Seoul on a routine flight to Tokyo. How it got to Manchuria—nearly the op-

posite direction—never was explained satisfactorily.

Two non-uniformed men captured by the Chinese, Richard Fecteau and John T. Downey, were tried, convicted and sentenced as spies: they were accused of trying to drop supplies to, and make contact with, Chiang agents. A group of American youths, visiting China after the 1957 Moscow Youth Festival, interviewed Fecteau in prison and reported his statement that he and Downey were CIA agents.

That the lushly-financed, super-secret CIA is engaged in espionage and sabotage against the socialist world is hardly open to doubt any longer. Turkey, along with West Germany and Taiwan, is a favorite base for CIA espionage. Periodically CIA spies are caught after sneaking into Armenia. Sometimes they confess.

TASS REPORT: On Feb. 15, nine days after the State Dept. released the tape recording, the Soviet news agency Tass reported that several groups of agents of the U.S. and Turkish intelligence services had been captured after crossing from Turkey. Said Tass:

"The spies were selected and recruited by members of the Karakesen and Kars section of the Turkish Intelligence Service . . . American Intelligence agents instructed the agents in methods of carrying out subversive activities in the Soviet Union, as well as in the handling of firearms . . . The American agents carefully examined them to find out whether they carried any trade marks of American origin and sternly warned them that in case of capture in the Soviet Union they must not admit the part played by Americans in their training . . ."

The U.S. is known to maintain monitoring devices along the Armenian frontier to record the activities of Russian airplanes and military installations. American espionage knew the Soviets were testing outer space missiles long before the first sputnik soared into the headlines. Harry Howe Ransom, a Harvard social scientist and author of *Central Intelligence and National Security*, said in the *Christian Science Monitor* (12-1-58):

"In the case of Soviet sputniks, American Intelligence, since about 1954, by long-range radar tracking stations in Turkey and elsewhere, has kept a close electronic watch upon Soviet missile tests. Other bits and pieces of information are obtained by photo-reconnaissance, other advanced electronic devices,

espionage, whatever can be gleaned from Soviet 'defectors,' and a wide range of other miscellaneous sources . . ."

THE BALLOONS: One snooping gadget Ransom neglected to mention was the balloon. U.S. balloon flights over Soviet territory reached a peak in early 1956. At that time Western correspondents in Moscow were shown 50 balloons the Russians said had been intercepted while on aerial reconnaissance missions for the U.S. It was charged that air wrecks and ground deaths were caused by exploding balloons.

Although Washington avowed that the balloons carried only weather-recording equipment, the correspondents noted radios to control the balloons' flight. The Russians said the radios enabled the balloons to cross the entire breadth of the Soviet Union in seven to ten days and then release aerial cameras by parachute into friendly hands.

The aerial cameras were to take photographs of cloud formations, the U.S. said. The Russians said they also took photographs of Russian topography. One captured balloon yielded very clear pictures of a U.S. airfield in Turkey.

THE DOUBTED WORD: Washington acknowledged that 500 of the gas-bags had been launched in less than a month from points in Western Europe and Turkey, denied the Soviet charges, but agreed to stop the flights.

That it did not keep its word was attested to—another coincidence in time—last Sept. 3, one day after the Armenia plane crash, when Moscow complained anew of U.S. balloon invasions. Three days later the "State Dept. confirmed that the balloons probably were there . . ." (N.Y. Times, Sept. 7).

The *Times'* Hanson Baldwin wrote (2-19-56) that the most serious aftermath of the 1956 balloon incident was "the doubt cast upon the word of the U.S. government." He said the Russians "had some pretty hard evidence . . . to convince them that the Washington answer was not the whole truth."

The question was: If Washington could



not be trusted to tell the whole truth on the balloon flights, could its word be taken on the Armenia plane crash?

NEXT WEEK: Cloak and dagger stuff.

SPIES, BALLOONS, AGENTS, CAMERAS AND SABOTAGE, INC.—III

Does the CIA dominate U.S. foreign policy?

By Frank Bellamy
(Last of three articles)

"If war is too important to be left to the generals, it should be clear that intelligence is too important to be left unsupervised."

—Hanson Baldwin, N.Y. Times, Jan. 15, 1958.

SPYING HAS BECOME a major industry of American government. According to Harper's magazine (April, 1958) no fewer than nine separate cloak-and-dagger outfits are at work, carrying out clandestine intrigue on a worldwide basis and spending each year in the neighborhood of \$750,000,000 of the taxpayers' money.

"Though exact figures are secret, estimates suggest that between 20,000 to 30,000 full-time intelligence specialists currently are on government payrolls," said Harry Howe Ransom, author of Central Intelligence and National Security, in the Christian Science Monitor (Dec. 1, 1958). "The cost probably approaches \$750,000,000 annually."

The most lushly financed, of course, is the Central Intelligence Agency. The other eight, which have to get along on lesser amounts, are the intelligence branches of the National Security Agency, State Dept., Atomic Energy Commission, U.S. Information Agency, FBI, Army, Navy and Air Force.

NO CONTROLS: The CIA, now housed in 30 or more scattered buildings in Washington, is erecting an enormous \$55,000,000 edifice for itself across the river in Virginia. When completed it will be the world's biggest spy center, accommodating more than 10,000 CIA employees. Best estimates place CIA's total domestic payroll at 14,000 and its budget near \$500,000,000 a year.

After it was established in 1947 under President Truman's administration, this



professional undercover army was granted by law a degree of immunity from accountability for funds, personnel and activities probably never exceeded by any other Federal agency in American history.

- It is the only major agency not subject to Congressional committee control.
- Nobody except the President and a

few other persons, including ten or 12 select Congressmen who are briefed once a year at budget time, know how much the secret legion spends. All funds for CIA are disguised and concealed in appropriations for other agencies.

- The funds themselves are not subject to audit. Top gumshoe Allen Welsh Dulles can write a \$1,000,000 check without explaining the expenditure to anyone. He is the only man in Washington, including the President, with such power.

- The CIA is exempted by law from the Civil Service requirements imposed

ington paper some months back of a free-for-all in a downtown restaurant between CIA and FBI men. Each group, the paper reported, had mistaken the other for Communist agents." (N.Y. Times, March 16, 1958).

On the expensive side, there was the time—as reported by columnist Westbrook Pegler—that "agents of the CIA handed over \$10,000,000 in unmarked ten-dollar bills to the secret service of the Communist government of Poland in the belief that they were dealing with some 'underground' organization which was



BARRICADES IN LEBANON: THE CIA WAS SURPRISED
Said Sen. Wayne Morse: "Our intelligence is just plain lousy."

on most government agencies; it can hire and fire at will.

SACRED COW: This is too much power and super-secrecy for Sen. Mike Mansfield (D-Mont.). Four times he has sponsored bills to create a joint Senate-House watchdog committee to scrutinize CIA. Despite editorial backing from such influential papers as the N.Y. Times and Wall Street Journal, Mansfield lost each time. Most of his colleagues in Congress still look on CIA as a sacred cow.

Why is the CIA so inordinately jealous of its power and prerogatives, so anxious to maintain itself beyond the reach of the lawmakers? One reason, the record seems to indicate, is to cover up bungles—some ludicrous, most of them expensive—which would open it to ridicule.

On the ludicrous side, "there are such stories as the news account in a Wash-

ington paper some months back of a free-for-all in a downtown restaurant between CIA and FBI men. Each group, the paper reported, had mistaken the other for Communist agents." (N.Y. Times, March 16, 1958).

On the expensive side, there was the time—as reported by columnist Westbrook Pegler—that "agents of the CIA handed over \$10,000,000 in unmarked ten-dollar bills to the secret service of the Communist government of Poland in the belief that they were dealing with some 'underground' organization which was

opposing that government." Pegler, by the way, thinks the CIA is "no good and ought to be wiped out."

'PLAIN LOUSY': Then there are intelligence failures for which CIA would rather not be held accountable. The most publicized fumble was its flat-footedness on the eruption of revolutions in Lebanon and Iraq. Both took place without advance forecasts from our vast espionage network. "They didn't know what was going on," Sen. Wayne Morse (D-Ore.) angrily charged. "Our intelligence is just plain lousy."

The N.Y. Times' military expert Hanson Baldwin said (Jan. 15, 1956): "The intelligence record of the nation and the CIA in particular is spotty. There have been notable successes but also notable failures. . . . A great many other incidents also suggest that all is not well

with our intelligence establishments."

A more significant motive for secrecy than concealing bungles and fumbles is CIA's desire to keep its bag of "dirty tricks" from the eyes of the public. It realizes that millions would disapprove if many of its devious dealings came to light. Protests would surely follow exposure of the extent to which CIA adventurism has shaped U.S. diplomacy and, in policy toward some nations, replaced it altogether.

POLICY MAKER? Charles Edmundson, who spent eight years in the U.S. Foreign Service before resigning two years ago over Secy. Dulles' policies, accused the CIA in February's *Progressive* magazine of being "an activist group which steps in boldly to dictate foreign policy in areas not covered by decisions of Congress, the State Dept., or the White House." Edmundson went on:

"It executes its projects without concern over the reaction of the public. The incidents it provokes are never acknowledged, yet, can be decisive in shaping—or misshaping—public opinion and foreign policy. . . .

"The most fundamental of all civil liberties is the right of the citizen to make up his mind on public issues without having the facts concealed or distorted by his government. The record shows that the CIA, in cooperation with the State Dept., systematically contravenes this principle. A few examples of what is happening creep obscurely into some of the better newspapers, but nowhere, save in a few liberal publications, are Americans warned of the potential consequence of the far-flung operations of the secrecy-ridden CIA."

Liaison between the State Dept. and CIA is close. Both are headed by a Dulles. Both employ about the same number of people (16,000 for the State Dept. vs. an estimated 14,000 for the CIA). If the CIA's \$500,000,000 budget estimate is correct, it is more than twice as much as the State Dept. spends on its 282 diplomatic outposts around the world.

In any case, the secret decisions of the Brothers Dulles affect the fate of the world. When ill-directed, they make enemies abroad and cause great damage at home.

Hanson Baldwin summed it up well (N.Y. Times, Jan. 15, 1956):

"Uncontrolled secret intelligence agencies are in a position to dominate policy making, and hence government. Their very secrecy gives them power; there are few to accept or reject their findings.

. . . An over-powerful secret intelligence agency is dangerous, not alone to the formulation of sound policy, but to the viability of democratic institutions."

NATIONAL GUARDIAN

APRIL 13 1959

SPIES, BALLOONS, AGENTS, CAMERAS AND SABOTAGE, INDIAN

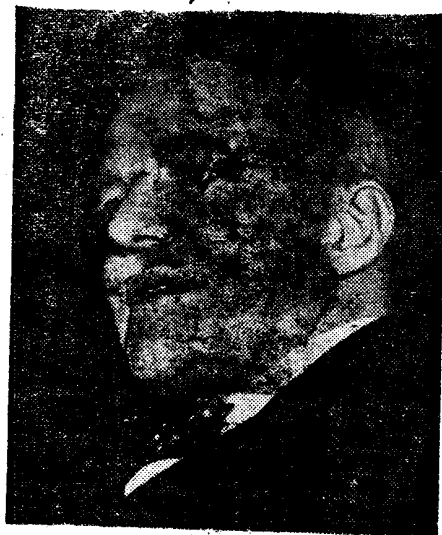
Why the CIA is called the 'Dept. of Dirty Tricks'

By Frank Bellamy
(Second of three articles)

SEN. RICHARD RUSSELL (D-Ga.), one of the privileged few in Congress to be let in on some aspects of the little-known top-secret Central Intelligence Agency, once said that it "almost chills the marrow of a man to hear" what some CIA agents are doing.

The senator, not one to give aid and comfort to the critics of American foreign policy, any more than to critics of assassination, was, if anything, understating the case.

Dr. Anthony Leviero, Washington correspondent for the N.Y. Times and one of the first to dub the CIA the "Department of Dirty Tricks," wrote (June 7, 1954): "The secret intelligence operation involves more than the mere collection of information; it encompasses action against enemy agents and hostile activities that may range from sabotage to assassination."



CIA CHIEF ALLEN DULLES
His operations "chill the marrow"

14,000 full-time Americans, plus thousands of foreign-born personnel, some full-time but most working on a freelance, "piece work" basis. Estimates on CIA spending range up to and above \$500,000,000 a year.

The agency's \$21,000-a-year, pipe-smoking director, Allen Welsh Dulles, is responsible only to the National Security Council and President Eisenhower—not even, directly, to his older brother John Foster, and especially not to the taxpayers whose money he spends.

NON-TALKATIVE: And Allen Dulles usually does not advertise his agency's cloak-and-dagger operations against the socialist world—either to brag of its "successes" or apologize for its failures.

Occasionally, however, this tight-lipped policy breaks down when something

particularly raw comes to light—as when a CIA agent was caught red-handed tapping the telephone by José Figueras, former Costa Rican president, or in 1956 when the Russians found a tunnel the CIA had dug a third of a mile into East Berlin to tap telephone and telegraph wires there. The Russians showed Western reporters how the tunnel led directly toward a U.S. sentry-guarded installation 550 yards on the Western side of the border.

Details of CIA fifth-column activities in Iran and Guatemala came out in a series of three articles in the *Saturday Evening Post* in 1954. The authors, Richard and Gladys Harkness, had spent a year in Washington where they undoubtedly interviewed top CIA officials. Their articles made it apparent that:

- In 1953 the CIA helped engineer the overthrow of Prime Minister Mohammed Mossadegh's government. The coup, hatched by Allen Dulles and others in the Swiss Alps, enabled the Anglo-Iranian Oil Co., a client of the Dulles Brothers' former law firm of Sullivan & Cromwell, to collect some \$1 billion in indemnity for nationalization.

- In 1954 the CIA helped arm and direct a rebel invasion from Honduras which overthrew the democratically-elected government of Guatemala. The CIA saw to it that each rebel was equipped "with a burp gun, a pistol and a machete."

THE REQUIREMENTS: In addition to counter-revolutionary activities, the CIA reads other people's mail. Harvard social scientist Harry Howe Ransom said in his *Christian Science Monitor* article (Dec. 1, 1958) that "the American intelligence system today is spending

Nothing in the record in recent years indicates that America's secret legion has grown more gentlemanly. Dirty tricks, it would appear, remain its stock in trade.

SUPER-SECRET: The trouble is that CIA operations are so cloaked in secrecy that few know who CIA agents are or how they operate. Few know how and where the CIA spends its hundreds of millions of dollars a year—or even how much it spends. Only a handful of top government officials have access to its reports.

Some idea of its size is given, however, in the fact that it now occupies 30-odd buildings in Washington, maintains 25 domestic offices across the country on a 24-hour basis, and finances unnumbered undercover branches around the globe.

Guesses on how many persons work for the agency range all the way from 3,000 to 30,000. A conservative guess is

Cloak and Dagger: Free enterprise division

THE U.S. GOVERNMENT isn't alone in the cloak-and-dagger business. A private spy group with the innocent sounding name of International Services of Information Foundation brags that it maintains contact with sleuths around the world and with underground groups behind the Iron Curtain.

It is credited with, among other exploits, having bribed a "Polish officer to fly a Soviet-built MIG-15 jet fighter to the West in 1953. Headquartered in Baltimore, its president is retired Colonel Ulius L. (Pete) Amoss, 63, former chief of the Eastern European division of the Office of Strategic Services. Last February Amoss addressed the North Jersey chapter, Retired Officers Association, on "Subversive Warfare—How to Seize the Initiative."

close to \$100,000,000 a year for code making, code breaking, and electronic interception of the communications of other governments."

CIA is the only government agency to require every applicant for a job, even the lowest-paid stenographer, to take a lie detector test. According to newspaper accounts, only about 80 applicants of every 1,000 get through the rigid security checks. And according to Ransom, only a relatively few of these go into the cloak-and-dagger branch, losing their identities in strange lands.

The relatively small number of native Americans engaged in direct espionage appears less a matter of CIA policy than a shortage of qualified citizen-spies. Robert D. Deindorfer said in the N.Y. World-Telegram & Sun (Oct. 25, 1958) that "America still suffers from the lack of competent men. Except at the highest and lowest levels, the personnel just doesn't measure up to the job."

To illustrate his point, Deindorfer told of an American CIA agent who went to East Germany on a spying mission. He disguised himself perfectly—"except for one thing. During his three-week swing of East Germany, he had failed to remove his West Point class ring."

WHO THEY ARE: To compensate for the shortage of native specialists in intrigue, the agency leans heavily on ex-Nazis and exiles from Eastern Europe and the Soviet Union. The CIA supplies many of these refugees with counterfeit money, arms, ammunition, forged documents and even, in some cases, explosives. They invade Eastern Europe as terrorists and spies, and their identities and dirty tricks remain unheralded unless—as not infrequently happens—they are caught and confess.

Under a law passed in 1949 (the late Vito Marcantonio was the lone objector) the CIA may bring in up to 100 aliens a year as a reward for information they passed on to American agents abroad. That many of these foreign informants are unsavory characters, and some the scum of post-Hitler Europe, is widely acknowledged.

The N.Y. Times' Hanson Baldwin wrote (July 30, 1953) that the CIA "must deal with questionable characters and persons of doubtful morals, with known Communists and with 'double agents' of uncertain loyalty. It naturally attracts, among its many able men, some who are 'clucks,' others who are themselves attracted by the megalomania of secrecy and quite a number who are out for the ride."

HITLER'S GENERAL: One of the most questionable of these characters is Reinhard Gehlen. A lieutenant general in the German Army in World War II, Gehlen directed Nazi espionage on the Soviet front. In 1945 he turned over his spy files to U.S. intelligence officers who found them "invaluable" (Time magazine, July 11, 1955). Said Time:

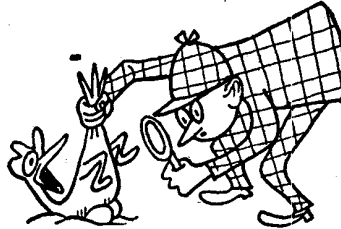
"Gehlen was flown to Washington and returned to Germany with the secret understanding that he would rebuild his intelligence apparatus and set it to work for both the U.S. and Western Germany."

Back in business at the old stand, minus the Nazi uniform and under new management, Gehlen established his headquarters in the village of Pullach, near Munich and not far from Dachau. "An eight-foot barbed wire fence surrounds a self-contained community of 30 acres, with stores, schools, map rooms, files, and offices," reported the Chicago Tribune (Sept. 12, 1956).

The Tribune quoted the Overseas Weekly, an American paper in West Germany, as saying that "American taxpayers, without knowing it, have been giving Gehlen between \$5,000,000 and \$8,000,000 a year without his name ever figuring in any appropriations request to Congress and without his signing a receipt for a nickel."

PROMOTION: Estimates of the number of agents working for the Gehlen Organization ranged from 3,000 to 6,000. They included (N.Y. Times, July 21, 1955) "almost the entire personnel of the German Army's General Staff section that conducted military espionage against the Russians." Time said Gehlen agents "range as far afield as Cairo, Istanbul and Madrid" and rated the spy ring "one off the most efficient intelligence organizations in the world."

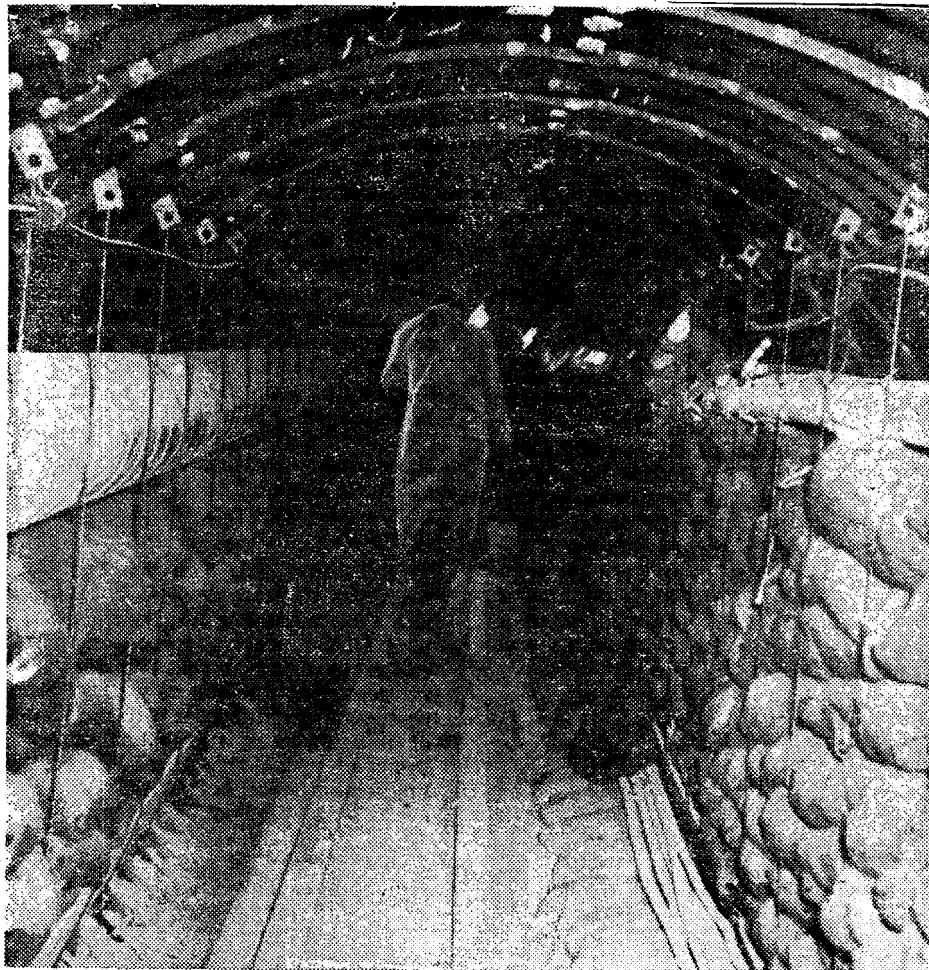
Gehlen agents were caught in East Germany in 1953 with plans to blast



railroad bridges and stations, burn factories and assassinate government officials. In 1955 the East German government reported it had arrested 521 Gehlen agents and contacts, seized 19 American-made radio receivers and transmitters, plus arms and ammunition, poisons, incendiary sets, special cameras, bogus ration cards and forged passes. And on Nov. 18, 1956, the N.Y. World-Telegram & Sun's Edward J. Byng cabled that Gehlen "is believed to have had a hand in Hungary's October Revolution" against communism.

In February, 1957, the Bonn Government took the logical step and appointed the tight-lipped Prussian as president of its Federal Intelligence Agency.

NEXT WEEK: Does CIA make foreign policy?



BORING FROM WITHOUT: THE CIA'S TUNNEL INTO EAST BERLIN
The Russians found it in 1956. Its purpose: to tap telephone wires

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM					
UNCLASSIFIED		CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		INITIALS	DATE	
1	General Counsel - Mr. Houston		<i>[Signature]</i>	5/1/59	
2	EO/DCI				
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ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks:					
<p>Larry:</p> <p>When the Director last briefed the Senate Foreign Relations Committee he chided Senator Morse "just a bit" about his insertion in the Congressional Record of an article "Does the CIA Dominate U. S. Foreign Policy" published in the <u>National Guardian</u>. As a result, Senator Morse asked, and the boss promised to write him a letter on this subject. The attached was prepared by Jim Angleton.</p> <p>I am a little concerned about the tone of</p> <p style="text-align: right;">(OVER)</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
EO/DCI/ [] p 221 Admin				11 May 59	
UNCLASS		CONFIDENTIAL		SECRET	

the last two paragraphs and would appreciate your comment and any suggested rewording if you agree with me. I am also concerned about some of the content of the enclosures even though Jim points out that the information contained therein was obtained from "public information available," e.g., Negro Quarterly, Pittsburgh Courier, etc.

Since the Director is most anxious to get this letter to Morse, let me have your comments as soon as possible.

JSE

MEMORANDUM FOR:

CONFIDENTIAL
THE DIRECTOR

Senator Wayne Morse requested a letter from you concerning Frank Bellamy's article in the NATIONAL GUARDIAN "Does the CIA Dominate U. S. Foreign Policy." CI Staff has proposed a letter, to the tone of which Colonel Grogan and I are opposed. I have, therefore, drafted an alternate proposal, essentially the same in substance but differing in approach. Colonel Grogan agrees with this. He and I feel that we should not send forward voluntarily the information on the personalities involved, but we should merely indicate that it is

MEMORANDUM FOR:

available if the Senator desires it.
Recommend signature of my draft.

LAWRENCE R. HOUSTON
General Counsel

CONFIDENTIAL

11 May 1959
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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